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## General Summary.

The second quarter of the year saw little change in the trends reported in the last quarter. The export market continues to be active and profitable although the fall in world rubber and tin prices has been of some importance, cutting Government revenues from royalties and export duties.

The price of foodstuffs fell seasonally although the general trend of prices is upward. It is somewhat early to make any crop predictions although rains have been late and below normal in most parts of the country.

Nigeria has yet to feel any serious effect of the defence c program in so far as essential supplies are concerned. It seems unlikely, however, that the United Kingdom will be able to continue to supply the textile requirements of the country. There are indications that import control regulations on all cotton goods are going to be relaxed considerably. Fortunately there was a good inventory of cotton textiles on hand at the beginning of the Korean War. This item is the most important single consumer article imported into Nigeria.

It appears that the development plan for the country will be affected by the world supply situation owing to the difficulty of obtaining heavy equipment and to rising prices. The Government has published its revised development plan covering the next five years and the number of projects has been reduced owing to the need of keeping within the original estimated cost.

The difficulty in attracting competent foreign personnel to Nigeria to supply the demand for technicians is of increasing concern.

## Wholesale and Retail Trade.

Wholesale and retail trade in the Southern Provinces was good. Increased purchasing power, because of favorable prices for cocoa for the current crop, created a high demand. In the North, however, where the peanut crop was poor, trade languished.

EDCrowley:eao
REPORTER(S)

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The market for so-called luxury goods was not favorable owing to the effect of inflation on the European consumer.

There was evidence of widespread hoarding against increased prices for shipments on order. Prices of goods on hand were raised to replacement costs by wholesalers to avoid the purchase of goods by retailers for speculative purposes.

Foreign Trade.

Exports are reported to have fallen seasonally during the second quarter of 1951 as compared with the first quarter although precise statistics are not available. The first quarter normally records the highest export figures since the principal export crops leave the country during that period. Comparison, however, with the first quarter of 1950 reveals a large advance in the value of exports.

Total exports January-March, 1950 were valued at £19,737,287 compared with £29,886,772 in the first quarter of this year. More significant is the fact that 427,671 long tons (of 2240 lbs.) of cargo were loaded for export at the various ports of shipment in the first three months of this year compared with 357,853 long tons in the same period of 1950. Exports to the United States were valued at £3,402,756, January-March, 1950 and at £5,154,011, January-March, 1951. Cocoa made up the preponderant part of exports to the United States being valued at almost £4,000,000, followed in importance by hides and skins, palm oil, and rubber. No other export to the United States was valued at more than £50,000.

The value of imports shows no startling increase in spite of rising prices. The first quarter's figures of 1951 were £15,978,895 compared with £12,364,121 in the same quarter of the previous year. Imports from the United States were valued at £795,040 compared with £497,385 in the first quarter of 1950. This modest increase is attributable to price increases and the nonavailability of certain goods outside of the American market. Japan has lost ground in the Nigerian market having sold £2,369,157 worth of goods January-March, 1950, and £1,431,888 in January-March, 1951. That country continues, however, to hold second place as a source of imports. The most important imports from the United States were flour (£153,000) and tobacco (£192,000). The remainder of American imports was made up of various types of machinery and tools.

The volume of goods unloaded (from ships) in January-March, 1950 was 263,168 long tons compared with 307,561 long tons January-March, 1951.

The outlook was for increased imports from the dollar area although exchange and import and export restrictions continued to hamper trade with the United States and there was no likelihood that they would be relaxed in spite of the favorable Nigerian balance of trade. There is, of course, a large potential market for American goods here, particularly automobiles.

Export licensing did not affect trade with the United States to any great extent since the American export market is favored. Import licensing was very strict and encumbered with a great deal of red tape.

Agriculture.

The annual rains were much below normal throughout Nigeria this year and in some cases rather late. In spite of this it is reported that crop conditions in and around Kano were better this year than in 1950. The outlook, however, is for crops in the North to be below normal.

Cocoa.

Purchases of cocoa by the Marketing Board up to July 12, 1951, were 105,316 long tons, main crop, and 3,789 long tons, light crop. Thus the 1951-1952 crop will probably be about ten thousand tons larger than the crop for the previous year. Purchasing prices for the coming crop will not be known for another month but new prices can be expected to rise. There has been some concern over difficulties in procuring cocoa sacks and over the increasing cost of those obtained. The increased marketing costs will no doubt discourage the Board from making any very large price increases. The inflationary danger will also be given consideration.

Palm Products.

There have been no significant developments in the field of Palm Produce during the last three months. Through June 14, 1951 the Marketing Board purchased 177,659 long tons of kernels and 100,985 tons of palm oil.

Legislation is to be presented to the next Legislative Council to cover the operation of the West African Oil Palm Institute at Benin. This research organization will be financed largely by the West African Produce Marketing Boards.

Peanuts.

The 1951-1952 peanut crop has been planted although late rains have necessitated replanting in some areas. Revised prices,

considerably above those for the last season, were announced some time ago. The crop should be better than the two previous crops but probably not up to normal.

Livestock, Hides and Skins.

The price of hides and skins has fallen somewhat partly owing to American price control.

The Veterinary Department is attempting an interesting experiment to encourage the settlement of roaming Fulani cattle owners. It is damming streams in the North to retain water through the dry season in the hope that the Fulani will settle there. This step results from the knowledge that the quality of cattle cannot be improved unless the present erratic methods are abandoned.

Forest Products.

The volume of timber exported from Nigeria has increased threefold during the last year, 4,390,264 cubic feet of logs were exported in the first quarter of 1951 while no more than 9,218,958 cubic feet were exported during the entire 1950 calendar year.

Some of this increase was derived from concessions on Government reservations. A great part of it originates, however, from uncontrolled private holdings. These exports probably explain the increased volume of goods being shipped from Nigeria.

The largest market continues to be in the United Kingdom.

Mining.

The following are production statistics for minerals during the first quarter of 1951:

| | | |
|---|---|---|
| Tin ore (Cassiterite) | 3,153 | long tons |
| Columbite .... | 291 | long tons |
| Gold .... | 375 | ounces troy |
| Lead Ore (Galena) | Nil | |
| Zinc Ore (Sphalerite) | Nil | |
| Coal .... | 123,175 | long tons |

The level of production appears to be little changed from 1950 and it is unlikely that production of most Nigerian minerals will show an appreciable change. It is probable, however, that the production of coal will increase noticeably. The largest tin mining firm is anxiously awaiting the receipt of new American excavators on order. When received, the production of tin concentrates may show some increase.

The Economic Cooperation Administration has made a grant of £330,000 for the increase of coal production in Nigeria. This sum is to be invested in opening a new seam north of Enugu, the location of the present mines. It is reported that the quality of this coal is better than that now mined. When this new mine is opened it is expected that the annual production will be over a million long tons of 2240 lbs. each. There is a problem connected with increased output which will have to be worked out. That is the problem of increasing the carrying capacity of the rail line between Enugu and Port Harcourt, the port of shipment. Informants report that this could be done provided the equipment can be procured.

It is reported that a lease between a prominent American firm and the Nigerian Government for exploiting lead-zinc deposits in Ogoja Province is nearly complete and only remains to be signed and approved by the Legislative Council. It is hoped that it can be presented to the Council for approval in August of this year.

Transport and Communications.

The volume of air and sea traffic in the first quarter of 1951 showed considerable increase over that of the first quarter of 1950. 257 seagoing vessels entered the various ports of the country during the first quarter of 1951 compared with 236 during 1950.

599 aircraft entered Nigeria from other countries during the first three months of this year compared with 551 in the first quarter of 1950. The major increase in traffic was at Kano which is becoming increasingly important as a center of African air movement. In the first quarter of 1950 372 planes called at Kano from other countries compared with 407 in the same period this year.

Work progressed on the new strip at Kano which is expected to be completed later this year. A new airport building is also planned owing to the inadequacy of the present one.

The 1950-1951 peanut crop has been evacuated from Kano by [illegible] The Government decided to abandon for the moment its proposed extension of the railroad from Nguru to Maiduguri. A grant was, however, received from ECA for the construction of an adequate road from Kano through Maiduguri to the border of the French Tchad.

The Nigerian Government established a new Department of Broadcasting and it is planned to construct regional stations throughout the country during the next three or four years. At the moment there is only a small ineffective station at Lagos.

Manufacturing.

No new industrial developments have arisen during recent months. Little or no progress has been made on several proposals, the most important being a bag plant and spinning mill at Onitsha. The difficulty of procuring satisfactory expatriate technicians will no doubt make it increasingly difficult to launch such projects.

Labor.

The Nigerian labor scene continues to be unsettled owing to the absence of a central coordinating organization following the collapse of the Communist oriented Nigerian Labor Congress.

Mr. Nduka EZE, pro-Communist, former General Secretary of the Congress and General Secretary of the Amalgamated Union of United Africa Company Workers has been under attack throughout the period of this report, both by officers of his own Union and the trades union movement as a whole. Recently he was arrested on a fraudulent passport charge. He is also being prosecuted for fraud having allegedly embezzled funds of his union.

Another group opposed to Eze's Communistic machinations has been studying the possibility of forming some connection with the ICFTU. They decided to send two leaders as observers to an ICFTU Conference in Milan during July. Only one actually departed and it is reported that while in London he was persuaded that the ICFTU was "an organ of imperialism" and he did not attend the Conference.

The agitation which has been going on within the various railway unions since the beginning of the year continues, although so far there have been no serious stoppages.

In general the Nigerian labor movement shows no signs of recovering from the results of the unsuccessful strike of last December. One of the soundest leaders, Mr. Addic-Moses is in the United States on a Foreign Leader Grant.

Finance.

The Nigerian Government plans to present a Banking Ordinance for enactment before the Legislative Council in August. At the moment there is no such legislation on the books and a large number of irresponsible native banking institutions have been opened. There is no way of controlling the practices of these institutions under present laws.

Legislation.

The Government proposes to enact legislation calling for an

internal loan of £20,000,000 to help finance the Ten Year Development Plan. Although this loan will be offered to the public, it is expected that few Nigerians will be interested and that the various Marketing Boards will eventually take it up.

In addition the Labor Code is to be rewritten and a Banking Ordinance is to be presented.

Construction.

There was a serious shortage of cement, a very important component in Nigerian building. A project was discussed for the construction of a cement plant in Nigeria.

Considerable Government residential construction was commenced, particularly in Lagos in preparation for expanded staff under the new Constitution. Good progress was made on the new Legislative Council Bldg G. B. Ollivant, Ltd. completed a large new office building in Lagos. Ground was cleared in Lagos for a substantial new building for the Supreme Court of Nigeria.

The few reliable contracting firms were overwhelmed with orders which could not be filled.

Building materials were largely imported from the United Kingdom with no American participation in the market.

General Outlook.

The outlook is for a deterioration of the supply situation, although no serious shortages are expected for some months. A continued favorable market abroad for Nigerian products can be expected. Increased producer prices will be paid for all 1951-1952 crops.

A. W. Childs
American Consul General